From:	Stan Sokolowski <ssokolowski@cifc.com>
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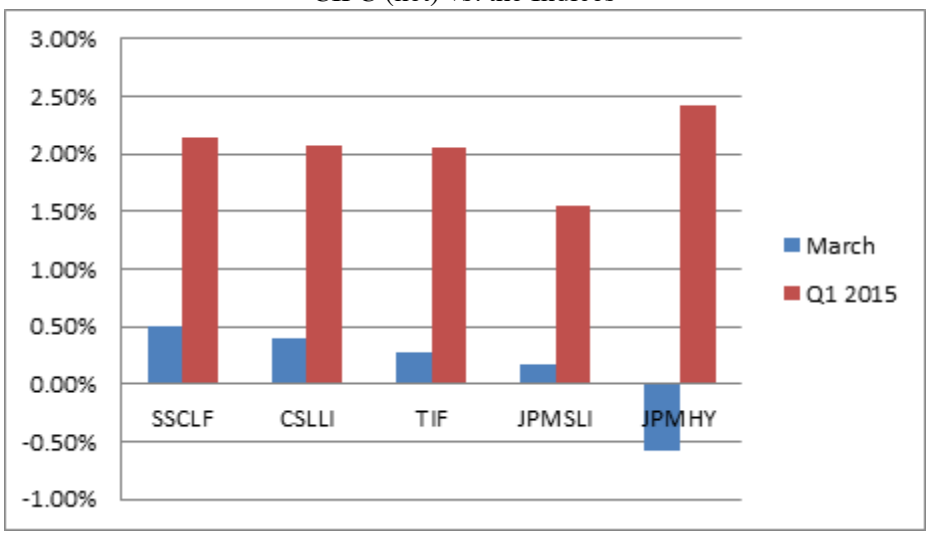
CC:	
Date:	Wed, 4/1/2015 7:28:24 PM
Subject:	Daily Update

Quote of the Day

"The market is wrong!" – Anonymous sell-side CLO trader
(soon to be unemployed sell-side CLO trader)

- Welcome to 2Q. Futures played a brutal April Fools Day prank on investors over-night with a wild ride. They viciously sold off 30 pts in the evening only come back into the early hours of the morning (pppaaaiiinnn!!!). Rates and gold are rallying now too. There is some fear in the air (Iran? Greece? Saudi boots on the ground in Yemen? Other?). Something is rotten in the state of Denmark… Chinese manufacturing demand came in weak while Eurozone manufacturing data was revised higher. Notable prices moves this morning: Iron is below $50, 10 year is 1.87%!, Gold is knocking up toward $1,200 again and equities are again selling off big. Year to date: The Dow is negative (-0.26%), S&P is +0.44% and the Nazzy is +3.5%. Also, JPM revised up its 2015 and 2016 Brent average price forecasts by $10/bbl and $5/bbl to $59/bbl and $62/bbl. Futures: -12. 10 year: 1.87%

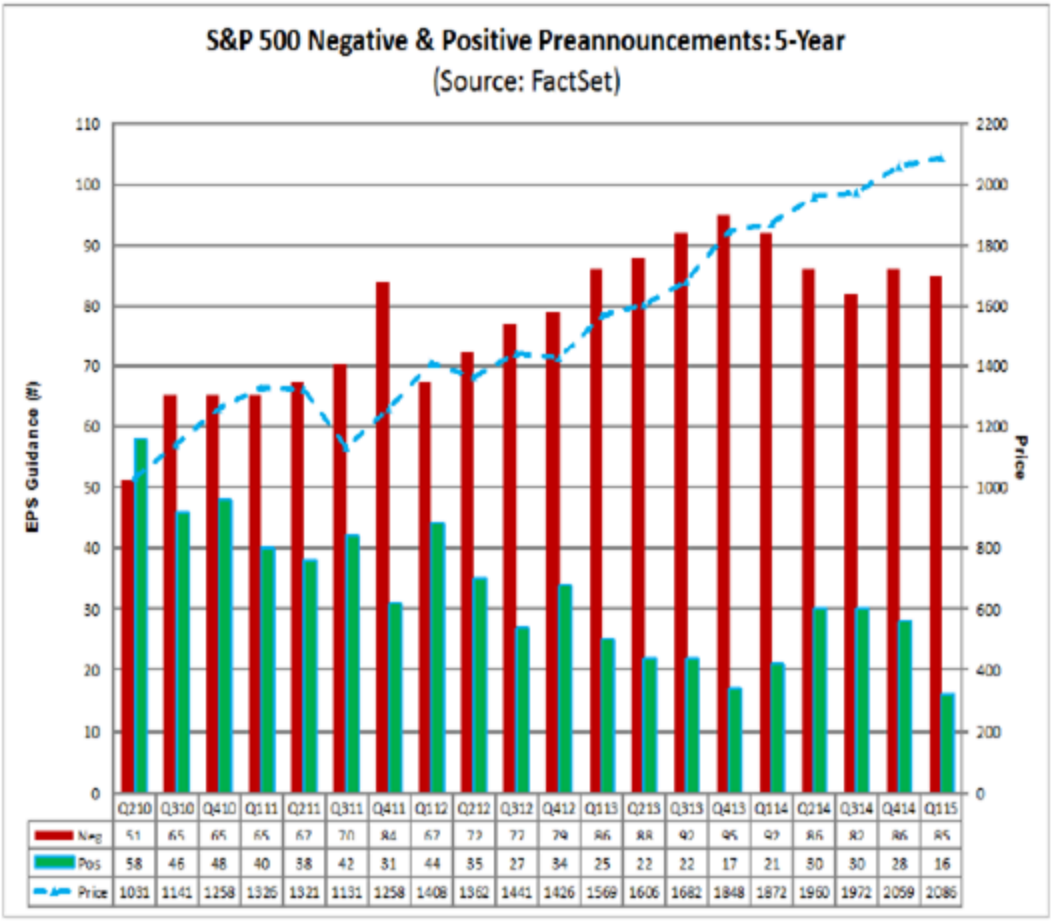
CIFC (net) vs. the Indices

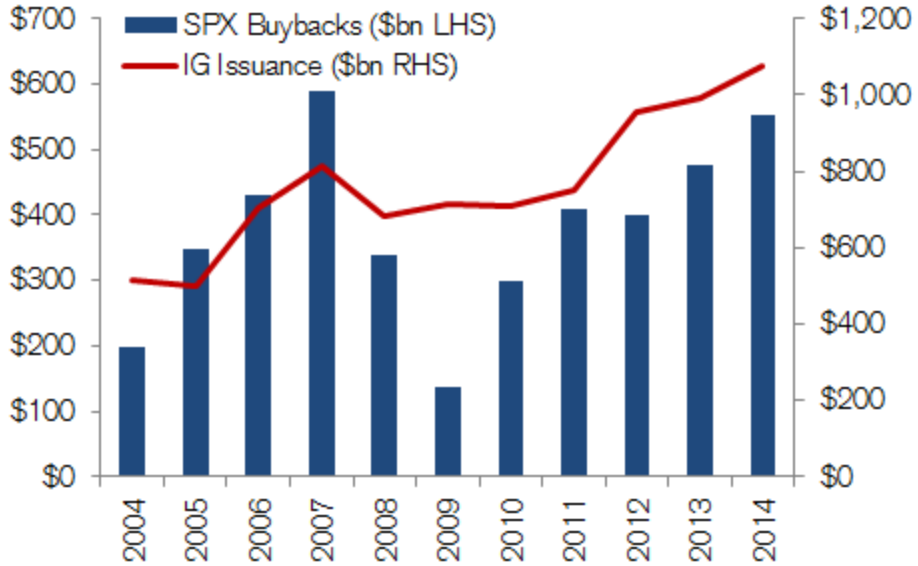


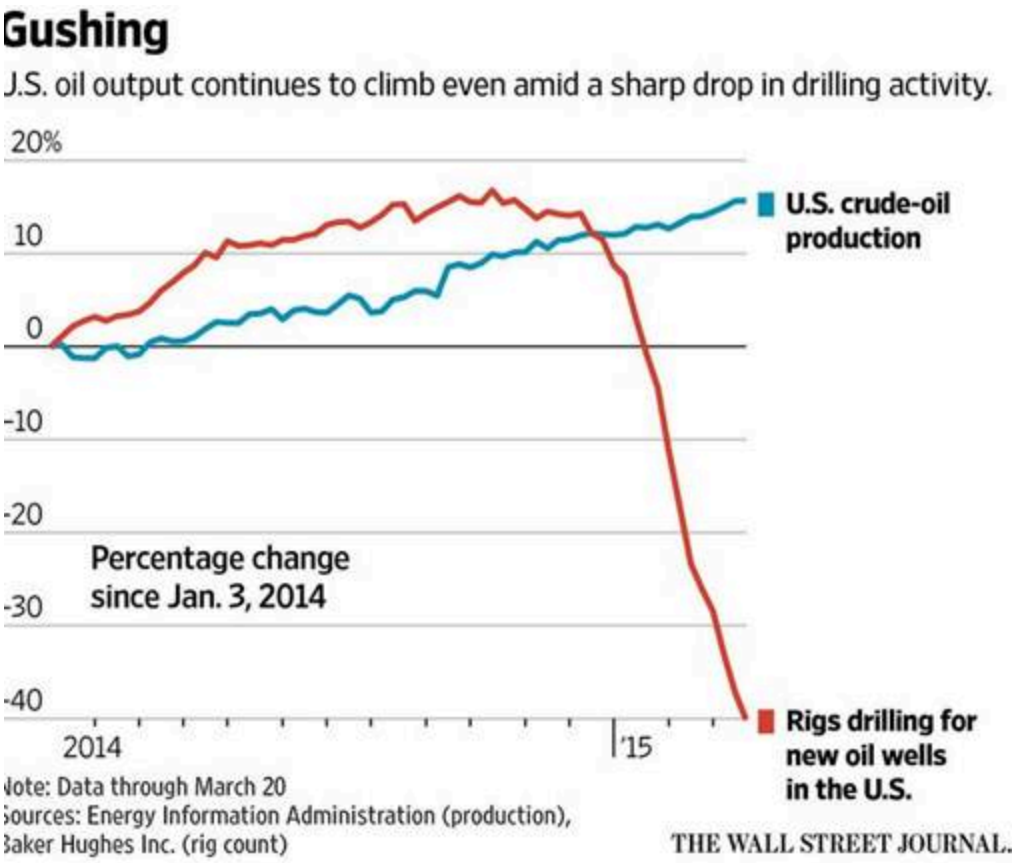
- Data: ADP came in at 189k (vs. 225k) signaling a weaker jobs number this Friday (reminder: ADP is not a very accurate indicator but it does provide direction)…. ISM 51.5 (vs. 52.5 exp). Lowest since 2013. Stronger US$? Something else? Jobs report is on Friday (when markets are closed….)

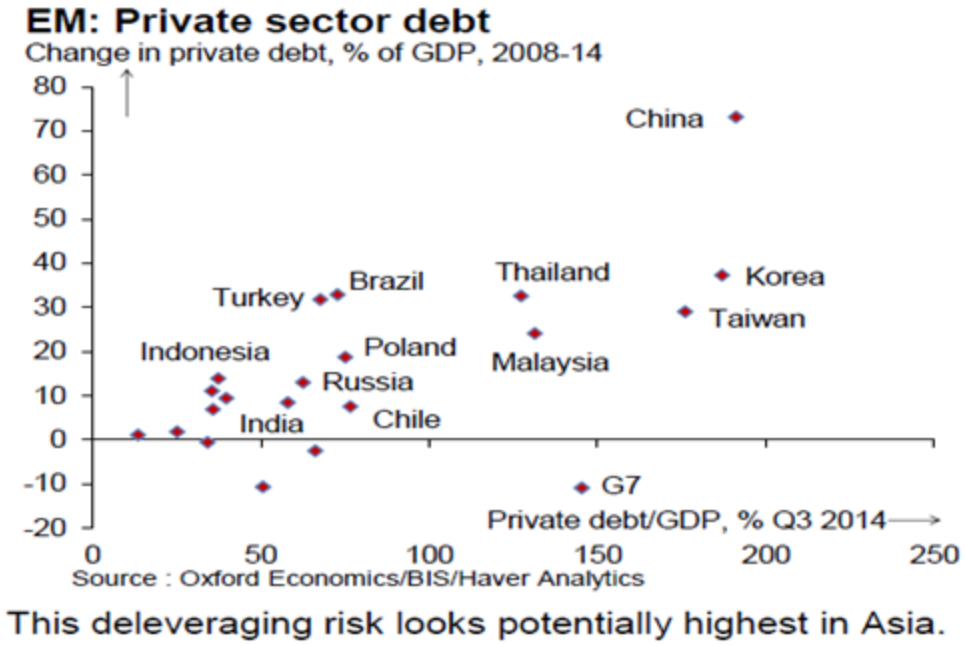
- Credit: The loan market still has more buyers then sellers…. However, beware as EVERYONE is comfortable being very long here…. April is usually a seasonally positive month (usually after a sluggish first two weeks) however the "sell in May and go away" inflection point is upon us. Also, Sears is forming a REIT to buy $2.5bn of its properties. The loans and bonds are trading materially higher.

- Charts of the day:

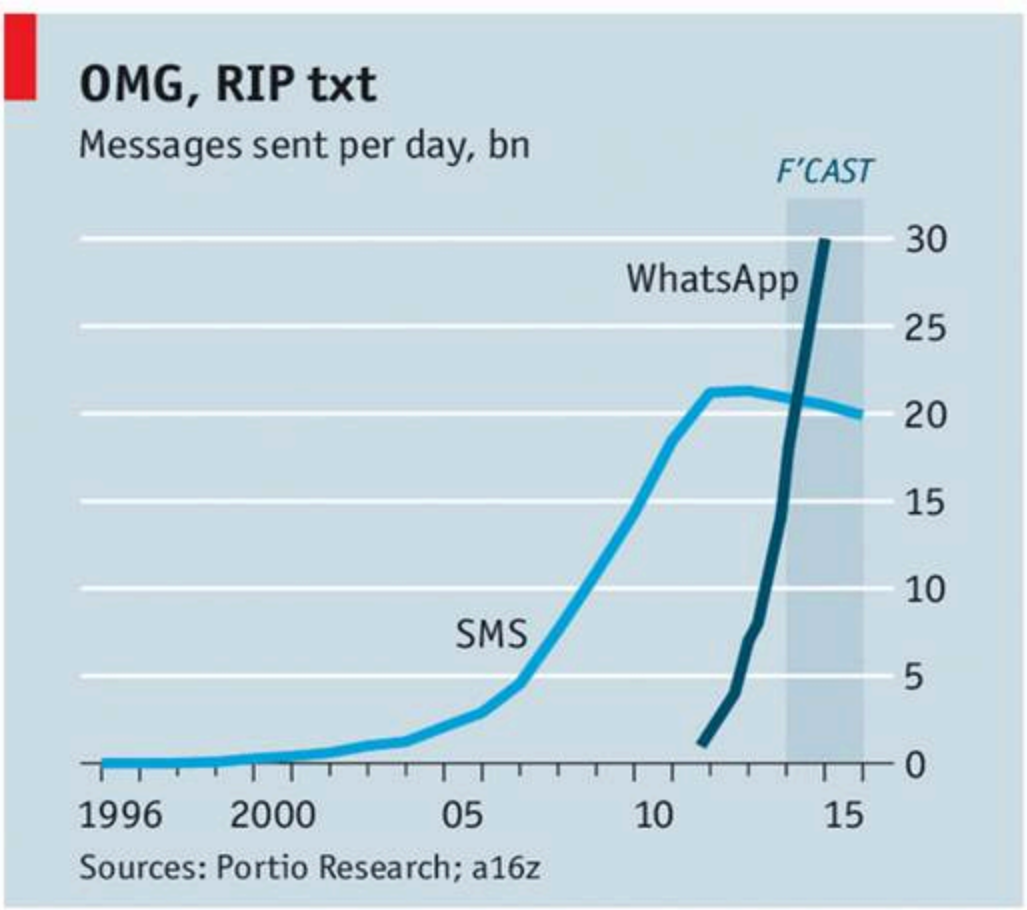

S&P 500 Negative & Positive Preannouncements: 5-Year
(Source: FactSet)
EPS Guidance (#)
Price
110
100
90
80
70
60
50
40
30
20
10
0
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
0
Q210 Q310 Q410 Q111 Q211 Q311 Q411 Q112 Q212 Q312 Q412 Q113 Q213 Q313 Q413 Q114 Q214 Q314 Q414 Q115
Neg 51 65 65 65 67 70 84 67 72 77 79 86 88 90 95 92 86 80 86 85
Pos 58 46 48 40 38 42 31 44 35 27 34 25 22 22 17 21 30 30 28 16
Price 1031 1141 1258 1325 1321 1131 1258 1408 1362 1441 1426 1569 1606 1682 1848 1872 1960 1972 2059 2085


SPX Buybacks ($bn LHS)
IG Issuance ($bn RHS)
$700
$600
$500
$400
$300
$200
$100
$0
$1,200
$1,000
$800
$600
$400
$200
$0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014


Gushing
U.S. oil output continues to climb even amid a sharp drop in drilling activity.
20%
10
0
-10
-20
-30
-40
Percentage change since Jan. 3, 2014
2014
'15
U.S. crude-oil production
Rigs drilling for new oil wells in the U.S.
Note: Data through March 20
Sources: Energy Information Administration (production), Baker Hughes Inc. (rig count)
THE WALL STREET JOURNAL.


EM: Private sector debt
Change in private debt, % of GDP, 2008-14
80
70
60
50
40
30
20
10
0
-10
-20
China
Brazil
Turkey
Thailand
Korea
Taiwan
Indonesia
Poland
Malaysia
Russia
India
Chile
G7
Private debt/GDP, % Q3 2014
0
50
100
150
200
250
Source : Oxford Economics/BIS/Haver Analytics
This deleveraging risk looks potentially highest in Asia.

Disruption



- Other:
  - Byron https://www.blackstone.com/news-views/market-commentary/blog-detail/byron's-market-commentary/2015/03/30/exploring-four-myths
  - You can say whatever you want as long as I agree with it…. http://www.nytimes.com/2015/04/01/us/politics/indiana-governor-mike-pence-feeling-backlash-from-religious-laws-opponents-promises-a-fix.html?partner=rss&emc=rss
  - Wednesday entertainment. Top Google searches by state for "How much does ____ cost?"…..

- HY: 107 1/16 (-)
- IG: 63 5/16 (-)
- CSLLI: 0.40% mtd / 2.07% ytd

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